

CHAPTER 5

ACQUISITION OF SHELF-LIFE ITEMS

5-1. GENERAL

A. Shelf-Life replenishment and stockage policy requires that a minimal number of shelf-life items be managed by an ICP. Shelf-life acquisition policy requires that a minimal number of items be procured for wholesale storage.

B. Procurement documents, contractual clauses, specifications, materiel standards, and purchase descriptions for shelf-life items shall be tailored to the product sought and shall include essential requirements to ensure:

1. Dating and marking in accordance with MIL-STD-129 or for the GSA and other Federal Agency materiel, FED-STD-123. For FSC 9150, MIL-STD-290 markings also apply.

2. Environmental protection including levels of preservation and pack, transportation and storage.

3. A minimum of 85 percent (allowing for rounding to whole months) shelf life remaining at time of receipt by the first Government activity. The receiving activity (i.e., wholesale storage activities or users, are responsible to ensure that 85 percent shelf-life remains. Deliveries from contractors not having at least 85 percent shelf life remaining shall be considered nonconforming. Refer to Appendix A for the amount of shelf-life remaining for the corresponding shelf-life codes.

4. Transportation and storage services that provide environmental conditions necessary to prevent and/or reduce deterioration.

C. Commercially available items having a shelf-life of 12 months or less will have a contractual agreement that will provide for the greatest support and maximum utilization of the contractor's distribution system. Indefinite delivery contracts are preferable, allowing orders to be placed either directly by users, or through centralized procurement with delivery directly to the user. These items will not be centrally stocked. They will be procured through a centrally awarded contractual agreement, or a multiple award Federal Supply Schedule which permits using activities to place orders directly

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on vendors for direct delivery to the user. A concerted effort shall be made to procure all hazardous shelf-life items in this manner. Surge requirements shall be included in all contractual agreements of this type. On a limited basis GSA will stock items with 12 months or less shelf life for customers who require smaller quantities or faster delivery than DVD.

D. Government Agencies shall encourage industry to develop items with increasing shelf-life periods and develop items which are nonhazardous or less hazardous, and ensure that newly developed items do not affect health, safety, welfare, or mission capability and readiness. The length of the shelf-life guaranteed by the manufacturer in conjunction with the unit cost and quantity to be purchased are parameters which should be considered during the procurement solicitation phase.

E. Environmental considerations require procurement activities to provide contractual incentives to contractors who provide products that can be recycled, or can be stored for extended time periods. Procurement considerations shall include acquisitions of nonhazardous items in lieu of hazardous items where possible. Emphasis will be given to those items having hazardous properties. It is imperative that these procurement activities also maintain applicable statistics on contractors in these categories to provide data on potential cost avoidance.

F. Government Agencies will coordinate with industry to develop items with minimal or no hazardous properties and to obtain the maximum shelf life.

G. Maximum use of DVD, requirements contracts, Prime Vendor (PV) and Electronic Commerce (EC) will be accomplished where possible when procuring shelf-life items with special emphasis on hazardous shelf-life items. Federal Acquisition Regulation (FAR), subparagraph 16.5, contains requirements contract guidelines.

H. Electronic Commerce (EC)

1. EC is a computer link-up between Government and industry (or intercompany/intracompany) which uses industry standards and business data to rapidly and efficiently satisfy military purchase orders for commercial type items directly from vendor maintained inventories. Emphasis will be placed on the use of EC for the procurement of shelf-life items.

2. EC applications provide faster contract processing and vendor payment, more accurate records, reduced ordering time, smaller inventories, improved asset visibility, more effective quality control and better customer service.

3. On EC acquisitions, all Type I items shall be marked as a minimum with the date of cure/manufacture/assembly and expiration date; all Type II items shall be marked as a minimum with the date of cure/manufacture/assembly and inspection or test date. These minimum requirements exclude film. Film may be marked with a "use by" date in lieu of an expiration or inspect/test date. "Use by" dates may also be assigned to batteries or other items so designated.

I. Prime Vendor (PV)

1. PV transfers the storage and distribution functions of the supply system to a commercial distributor who is responsible for the warehousing and rotation of shelf-life materiel as well as non-shelf-life materiel.

2. The PV awards all subcontracting contracts and processes replenishment requisitions that have been screened through the ICP.

3. PV was initiated to reduce inventories and improve customer satisfaction. Other benefits include lower prices on wholesale/retail items, 24-hour delivery possibility, electronic payment of invoices, a broader range of items, and a significantly smaller surcharge for the customer.

4. PV medical contracts require that shelf-life materiel have at least 6 months shelf life remaining in lieu of 85 percent remaining at time of receipt by the Government. This is in keeping with industry practices for commercial distribution since the medical facility will order only a few days worth of materiel at a time and frequent deliveries by the PV allow the facility to maintain a very limited inventory. The rapid turnover of materiel makes 6-month shelf life an acceptable level which fully meets medical customer requirements for peacetime operations .

J. Unless authorized, shelf-life items will not be procured through local purchase unless the items are to be used for immediate consumption.

1. Immediate consumption is defined as that materiel which will be used within 60 days of the local purchase date.

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2. Shelf-Life materiel shall not be acquired through local purchase unless MIL-STD-129 or FED-STD-123 shelf-life markings are required.

K. Chapter 5 policies apply to all procurement activities and the Defense Contract Management Command (DCMC) .

5-2. **CONTRACTOR MARKING REQUIREMENTS**. Shelf-life items will be marked for identification and control. Markings shall be shown below the item identification data on all unit, intermediate, and exterior packs or unpacked items, shall be IAW MIL-STD-129, MIL-STD-290 (FSC 9150 only), or FED-STD-123, respectively, and will include the following:

A. For Type I shelf-life items: apply one, as appropriate; date manufactured, date cured, date assembled, or date packed (subsistence only); and expiration date.

B. For Type II shelf-life items: apply one as appropriate; date manufactured, date cured, date assembled, date packed (subsistence only), and inspect/test date.

C. For both Type I and Type II markings in subparagraphs A and B, above, the date shall be expressed by the numeric month and the last 2 digits of the calendar year; i.e., 06/95, with the day of that month being the last day. For cure dated items, the date cured, date assembled, expiration date, or inspect/test dates shall be expressed by the calendar quarter i.e., 2Q95, with the day of that quarter being the last day.

D. When two or more unit packs of identical items bear different dates of manufacture, dates of cure, dates of pack, or dates of assembly, the earliest date shall be shown on the shipping container.

E. For Type I drugs and biological, the expiration date only is required. The expiration date should be marked in accordance with Federal Specification PPP C-186. Manufacturer date shall not be shown for medical items having expiration dates.

F. It will be emphasized that contract number will be included on-all unit, intermediate, and shipping containers for shelf-life i-terns whether using MIL-STD-129, MIL-STD-290 (FSC 9150 only), or FED-STD-123, for marking.